FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

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Richard F. Neel, Jr., Treasurer
Republican Party of Virginia Inc.
115 East Grace Street
Richmond, VA 23219

JAN 30 2002

Identification Number: C00001305

Reference: 12 Day Pre-Special Report (1/1/01-5/30/01)

Dear Mr. Neel:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-The outstanding balance of a debt owed to a creditor at the close of one report should be exactly the same as the outstanding balance beginning the period of the next report. This report shows a beginning outstanding balance(s) to Verizon, Andrew Woodson, and Ollie North for Senate, which is not identical to the ending outstanding balance(s) for the creditor(s) on the Amended 2000 Year End Report, dated 2/9/01. Also, Schedule D discloses numerous negative entries in the Amount Incurred This Period column. Please amend your report to clarify these discrepancies.

-Commission Regulations require that a committee disclose the identification of all individuals who contribute in excess of $200 in a calendar year. (11 CFR §104.3(a)(4)(i)) Identification for an individual is defined as the full name, mailing address, occupation and name of employer. (11 CFR §100.12) Your report discloses contributions from individuals for which the identification is not complete.

You must provide the missing information, or if you are unable to do so, you must demonstrate that "best efforts" have been used to obtain the information. To establish "best efforts," you must provide the Commission

with a detailed description of your procedures for requesting the information. Establishing "best efforts" is a three-fold process.

First, your original solicitation must include a clear and conspicuous request for the contributor information and must inform the contributor of the requirements of federal law for the reporting of such information. (11 CFR §104.7(b)(1))

Second, if the information is not provided, you must make one follow-up, stand alone effort to obtain this information, regardless of whether the contribution(s) was solicited or not. This effort must occur no later than 30 days after receipt of the contribution and may be in the form of a written request or an oral request documented in writing. (11 CFR § 104.7(b)(2)) The request must:

- clearly ask for the missing information, without soliciting a contribution;
- inform the contributor of the requirements of federal law for the reporting of such information, and
- if the request is written, include a pre-addressed post card or return envelope.

Third, if you receive contributor information after the contribution(s) has been reported, you shall either a) file with your next regularly scheduled report, an amended memo Schedule A listing all the contributions for which additional information was received; or b) file on or before your next regularly scheduled reporting date, amendments to the report(s) originally disclosing the contribution(s). (11 CFR §104.7(b)(4))

Please provide the missing information or a detailed description of your procedures for requesting the information. For more information on demonstrating "best efforts," please refer to the Campaign Guide.

-Your committee has filed a report that contains one Schedule H1. In states that hold federal and non-federal elections in different years, committees must complete an additional Schedule H1 to calculate the allocation ratio for generic voter drive costs. See 11 CFR §106.5(d)(2). Please amend your report by providing an additional Schedule H1.

-Schedule A supporting Line 12 discloses a transfer(s)-in from the National

Republican Congressional Committee and the Republican National Committee. Schedule B supporting Line 21(b) reflects payments for sign stakes. Please be advised that a state or local party committee may pay for campaign materials (such as bumper stickers) that are distributed by volunteers in connection with activity on behalf of the party's nominees in a general election. Payments for this type of activity are exempt from the definition of a contribution or expenditure if certain conditions are met. The conditions are that no public advertising may be used, including distribution by direct mail (mailings by a commercial vendor or from commercial lists); all funds used for the activity must be permitted under the Act; none of the funds used may have been designated for a particular candidate; and finally, payments for the activity may not be made from transfers-in from the national committee to specifically fund the activity. For further guidance, please refer to 11 CFR §100.7(b)(15) and (17) and to the Campaign Guide for Party Committees.

Please clarify the nature of the transfer(s)-in and subsequent payments for the aforementioned disbursement(s). If the activity disclosed on your report does not meet the definition of "exempt" activity as described above and if any portion of the expenditures were made on behalf of specifically identified candidates, that amount must be disclosed on Schedule B or F supporting Line 23 or 25 of the Detailed Summary Page as appropriate.

-Your report discloses limited payments for administrative expenses. Administrative expenses are payments made for the purpose of operating a political committee including, but not limited to, rent, utilities, salaries, telephone service, office equipment and supplies. Each state or local party committee utilizing separate federal and non-federal accounts is required to allocate any administrative expenses between the accounts in proportion to the BALLOT COMPOSITION METHOD derived from FEC Schedule H1. A Schedule H1 must be filed with the first FEC FORM 3X filed at the beginning of each calendar year. 11 CFR §106.5(d)

Any goods or services provided to your committee by a person, except volunteer activity (i.e., a person's time), would be considered an in-kind contribution from that person, and would be subject to the disclosure requirements of 2 U.S.C. §434(b)(3) and 11 CFR §104.13, and the limitations and prohibitions of 2 U.S.C. §§441a and 441b.
Clarification regarding administrative expenses should be provided <u>during each two year election cycle</u> beginning with the first report filed in the

non-election year. Please provide the necessary information regarding administrative expenses incurred by your committee and/or amend your report to disclose such expenses according to the referenced provisions of the Act and Commission Regulations.

-The beginning cash balance of this report should equal the ending balance of your Amended 2000 Year End Report, dated 2/9/01. Please clarify this discrepancy and amend any subsequent report(s) that may be affected by this correction.

-Schedule A of your report discloses aggregate year-to-date totals for contributions received from individuals which appear to be incorrect. Please be advised that federal regulations require aggregate year-to-date totals to include only those contributions which are received during the calendar year. In the event that the aggregate year-to-date total is correct, please note that federal regulations also require the disclosure of all contributions received from individuals who have contributed over $200. 11 CFR §104.3(a)(4) Please amend your report to provide the correct aggregate year-to-date totals.

-Your report disclosed certain categories of financial activity that have been reflected on the wrong lines of the Detailed Summary Page. Receipts from the Commonwealth of Virginia Department of Taxation should be properly disclosed on a separate Schedule(s) A, supporting Line(s) 17 of the Detailed Summary Page. Please refer to the instructions contained on the forms to determine the proper categorization when preparing your next filing.

A response or an amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission within fifteen (15) days of the date of this letter. Electronic filers must file amendments in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530 (at the prompt press 1, then press 2 to reach the Reports Analysis Division). My local number is (202) 694-1130.

Sincerely,

Scott B. Walker
Reports Analyst
Reports Analysis Division